

UNDERSTANDING YOUR MEDICARE OPTIONS

While Medicare can be a confusing program with many options, it provides essential medical coverage for most Americans age 65 and over and many individuals with disabilities. Before making any decisions about Medicare coverage, it is a good idea to take some time to understand how it works and what it can do for you. There are four different parts to Medicare—Parts A, B, C, and D—and each covers a different healthcare need. Some parts will even penalize you if you don't enroll at a specific time, so it's best to know what you need to do and when.

This brochure will help you to understand the different options available to you and explain some of the benefits and drawbacks of each. Whatever decisions you make, you should keep two things in mind. First, without insurance, healthcare costs are probably much higher than you think. Second, if you need help choosing healthcare coverage, there are always people who can help. Resources to help you make these decisions are listed on the back of this brochure.

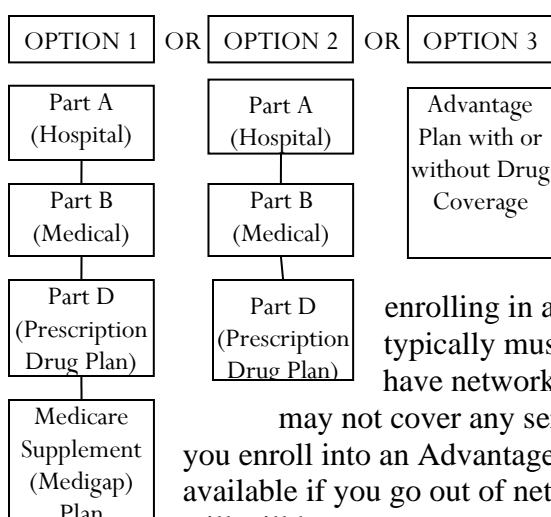
A BASIC OVERVIEW OF MEDICARE AND EMPLOYMENT

Here is how Medicare works: Medicare Part A covers hospital expenses; Medicare Part B covers outpatient medical expenses, such as physicians' and lab services; Medicare Part C (or "Advantage plans") consist of an *optional* way to privatize Medicare Part A and Part B coverage into an HMO or PPO; and Medicare Part D provides prescription drug coverage.

You may get health insurance through your (or your spouse's) current employer. However, when you (or your spouse) retire, that may change. Your former employer may continue to offer the same plan, it may require you to change to a retiree healthcare plan, or it may discontinue your coverage altogether. In any of these cases (even if you do not retire at 65), you are eligible for Medicare coverage at age 65. That is why it is important for you to understand how your employer's coverage coordinates with Medicare and when that coverage will end. Make sure you know what will change when you retire and when you turn 65.

If you are not working, chances are you must sign up for Medicare between the three months before and three months after your 65th birthday. If you delay enrolling, you may have to pay premium penalties when you later enroll, and be subject to restrictive re-enrollment periods.

TIPS ABOUT MEDICARE ADVANTAGE PLANS



Medicare Advantage (or "Part C") plans are an *optional* way to privatize your Medicare A and B coverage into an HMO or PPO plan with a private insurance company. If you enroll in an Advantage plan, you will receive your Medicare Part A and Part B coverage through that private insurance company.

In the chart to the left, you'll see that there are three basic options for healthcare coverage. Here are some points to consider before enrolling in an Advantage plan: (1) Once you enroll in an Advantage plan, you typically must remain in that plan for the calendar year. (2) Most Advantage plans have network restrictions and can limit which providers you can use. Your plan may not cover any services outside of that network, absent a medical emergency. (3) If you enroll into an Advantage plan, you will not have Original Medicare Parts A and B coverage available if you go out of network. (4) In addition to monthly Advantage plan premiums, you will still have to pay your monthly Medicare Part B premium. (5) In most cases, you cannot enroll

in an Advantage plan without drug coverage and also enroll in a separate stand-alone Part D plan. If you want an Advantage plan and drug coverage, you must enroll in an Advantage plan that includes drug coverage with it. (6) There are many different kinds of Advantage plans, including Medicare Savings Accounts, HMOs, PPOs, and PFFS. For these reasons, you should contact a Benefit Specialist or the Medigap Helpline before enrolling in an Advantage plan.

THE DIFFERENT PARTS OF MEDICARE:

Medicare Part A

Coverage: Hospitals, skilled nursing facilities, hospice care, some home health care services.

Premium: Premium-free for most people.*

Deductible: \$1,484 per benefit period (for 2021).

Provider Restrictions: Any provider accepting Medicare.

Late Enrollment Penalties: Only for people who have to pay a Part A premium.

Eligibility: Age 65 or older or Social Security Disability recipient after 24 months.

Enrollment Periods:

Initial: 7-month period that begins 3 months before the month that you turn 65.

General: Jan. 1 to Mar. 31 each year. Coverage begins July 1.

**Based on having worked 40 or more work credits. If you have fewer, you will have to pay a premium of \$471 per month (if worked less than 30 quarters) or \$259 per month (if worked between 30-39 quarters).*

Medicare Part B

Coverage: Medical outpatient services, clinic visits, lab work, ambulance rides, urgent care, emergency room, and durable medical equipment used in the home.

Premium: \$148.50 per month for 2021.

Deductible: \$203 per year for 2021.

Additional Costs: After deductible met, usually pay 20% of the Medicare-approved cost of services.

Provider Restrictions: Any provider who accepts Medicare.

Late Enrollment Penalties: For each 12-month delay in enrollment, add 10% to your monthly premium (unless you qualify for a special enrollment period).

Eligibility: Age 65 or older; Social Security Disability (SSDI) recipient for 24 months; have end-stage renal disease and satisfy other requirements, or Lou Gehrig's disease once you qualify for SSDI.

Enrollment Period:

Initial: 7-month period that begins 3 months before the month that you turn 65. If you are receiving Social Security benefits at that time, you are automatically enrolled in Part A. If you keep your original Medicare card, you are keeping and agreeing to pay for Part B premiums each month.

General: Jan. 1 to Mar. 31 each coverage year. Coverage begins July 1. Late-enrollment penalty applies.

Medicare Advantage ("Part C") Plan

Coverage: *Optional* private insurance plans that replace the coverage under Medicare Parts A and B; plan may or may not include prescription drug coverage.

Premium: Varies by plan—range is \$0 to \$270/month premium in 2021. You must still pay the Part B premium (and your Part A premium if you have one) in addition to any Advantage plan premiums.

Deductible: Varies by plan.

Additional Costs: Copays and coinsurance vary by plan. Maximum in-network out-of-pocket is \$6,700/year.

Provider Restrictions: Depending on the type of the plan, provider network restrictions may apply

Eligibility: Must have and keep both Medicare Part A and B.

Enrollment Period:

Initial: 7-month period that begins 3 months before the month that you turn 65.

General: Oct. 15 to Dec. 7 each year. Coverage begins Jan. 1.

Medicare Part D

Coverage: Private insurance coverage of prescription drugs. Formularies (covered drugs lists) differ by plan.

Premium: Between \$13.10 and \$124 (for 2021 plans).

Deductible: Up to \$434 (for 2021 plans).

Additional Costs: Co-pays for prescription drugs differ by plan.

Provider Restrictions: In-network pharmacies, except in emergencies.

Late Enrollment Penalties: Add 1% of national base beneficiary premium (\$33.06 in 2021) for every month you could have had Part D but did not (unless you had other creditable coverage). Medicare adds this amount to your current premium.

Eligibility: Must have Medicare Part A *or* B.

Enrollment Period:

Initial: 7-month period that begins 3 months before the month that you turn 65.

General: Oct. 15 to Dec. 7 each year. Coverage begins Jan. 1.

Medicare Supplement (“Medigap”) Policy

Coverage: Private insurance policies which wrap around Medicare Parts A and B to cover out-of-pocket costs such as deductibles, daily copays, and coinsurance. Medicare supplement policies pay on any claim covered by Medicare Parts A or B.

Premium: Varies by policy.

Deductible: Typically none or just the Part B annual deductible of \$203.

Provider Restrictions:

Standardized Medigap policies: No network restrictions; any provider that accepts Original Medicare. (Note: Medicare Select policies do have network restrictions.)

Late Enrollment Penalties: n/a

Eligibility: Must have both Medicare Parts A and B.

Enrollment Period:

Initial: First six months after enrollment in Part B. During this period, you must be issued a Medigap plan regardless of age, prior claims, health, or pre-existing conditions.

Other: Any time. After the initial 6-month enrollment period, Medigap policies can use medical underwriting to decide whether to accept your application and how much to charge you for the Medigap policy.

Medicare Tips

- Call (800) MEDICARE / (800) 633-4227 (toll free) to obtain a free copy of “Medicare & You.” This publication provides detailed information about Medicare.
- For neutral information about Medicare Supplement policies and Medicare Advantage plans, call the **Wisconsin Medigap Helpline at (800) 242-1060 (toll free).**
- You may be given the opportunity to allow a Part C or Part D plan to deduct your premiums automatically from your Social Security benefit.

NEED MORE HELP?

Below is a directory of resources available to you free of charge.

Medicare: www.medicare.gov

(800) MEDICARE / (800) 633-4227 (toll free)

Get answers to common questions and/or help finding Part D plans and Medicare publications.

Access Wisconsin: www.access.wisconsin.gov

(800) 362-3002 (toll free)

Find out all the state and federal benefits you are entitled to, including: FoodShare, Medicaid, and SeniorCare.

Medigap Helpline: www.longtermcare.wi.gov

(800) 242-1060 (toll free)

Trained counselors help you compare Medicare Supplement, Medicare Advantage, and employer-related coverage plans.

Prescription Drug Helpline:

(855) 67PART D / (855) 677-2783 (toll free)

Trained counselors help you compare Medicare Part D plans and other prescription drug coverage.

Disability Drug Benefit Helpline:

(800) 926-4862 (toll free)

For individuals on Medicare-based on disability, trained counselors help you compare Medicare Part D plans and other prescription drug coverage.

Midwest Pension Rights Project

(866) 783-5021 (toll free)

<http://www.midwestpensions.org/>

Free legal assistance for individuals who lived or worked in Wisconsin. This program can help individuals find lost private pensions, examine eligibility and entitlement for pension income, and review private pension denials. This program is for defined benefit pension plans, 401(k), 403(b), and profit-sharing plans. (This program is **not** for questions regarding Social Security benefits.)

If you have any questions, contact your tribal or county benefit specialist.

<http://www.dhs.wisconsin.gov/benefit-specialists/counties.htm>